



Introduction

While Washington State Environmental Policy Act (SEPA) policies and procedures do not require an analysis of the economic impacts of a project to be included in an environmental impact statement, both SEPA and the Skagit County Code allow for inclusion of such an analysis when it would describe a part of the existing environment that would be impacted. This analysis considers potential increases in economic output, employment, and employee compensation associated with the proposed project. This fact sheet summarizes the potential impacts the proposed project would have on the economy.

What was studied?

The economic analysis included three types of impacts: direct, indirect and induced.

- Direct impacts include the initial increase in economic output and employment directly attributable to expenditures by the proposed project
- Indirect impacts are the secondary rounds of economic activity that would begin when the suppliers who contributed to the construction or operation of the proposed project spend their dollars
- Induced impacts are the third round of economic activity that generate from changes in household income related to the proposed project

What was the study area?

- The Washington State and Skagit County economies
- Construction impacts at the state level
- Operational impacts at the county level where most of the facility operations and expenditures would occur

How were impacts on the economy analyzed?

The economic impact analysis studied potential increases in economic output, employment, and employee compensation related to the construction (short-term impacts) and operation (long-term impacts) of the proposed project. Economic output is best described as sales of all goods produced by industries. These impacts were analyzed using a computer simulation tool called IMPLAN Pro 3.0.

What are the potential impacts?

Construction Impacts

The construction effort for the proposed project would create a short-term stimulus for the Washington State economy through purchases of materials, supplies, equipment, and services; and labor wages for construction workers.

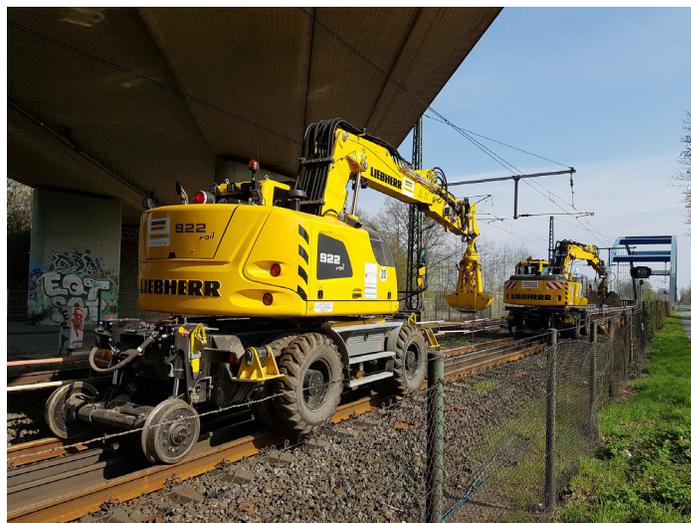
Operation Impacts

After the proposed project becomes operational, the Shell Puget Sound Refinery would experience a change in net employment and payroll, as well as some general operational expenditures, such as energy and office supplies. These impacts are considered minimal.

Cumulative impacts

Construction of the proposed project and reasonably foreseeable future projects would create a short-term stimulus for the Washington State economy through purchases of materials, supplies, equipment, and services; and labor wages for construction workers.

During operation, the proposed project and reasonably foreseeable future projects would create economic benefits for the local economies in which they are located through the creation of jobs and operational expenditures.



Railroad track construction machine

Estimated Economic Impacts from Construction in Washington State – Proposed Project (2015 dollars)

Impacts	Employment (jobs)	Labor Income	Economic Output
Direct	200	\$25,681,000	\$60,080,000
Indirect	128	\$7,427,000	\$23,399,000
Induced	153	\$7,409,000	\$23,251,000
Total	481	\$40,517,000	\$106,730,000

Source: IMPLAN 3.0 Model Estimates.

Estimated Tax Revenues from Construction in Washington State – Proposed Project (2015 dollars)

Property Tax	Sales Tax	Total
\$1,106,000	\$2,277,000	\$3,383,000

Source: IMPLAN 3.0 Model Estimates.

Estimated Economic Impacts in Skagit County from Operations – Proposed Project (2015 dollars)

Impacts	Employment (jobs)	Labor Income	Economic Output
Direct	35	\$4,546,000	NA
Indirect	4	\$128,000	\$2,725,647
Induced	3	\$101,000	\$355,000
Total	42	\$4,775,000	\$3,080,647

Source: IMPLAN 3.0 Model Estimates.

Estimated Tax Revenues in Skagit County from Operations – Proposed Project (2015 dollars)

Property Tax	Sales Tax	Total
\$73,000	\$151,000	\$224,000

Source: IMPLAN 3.0 Model Estimates.

What mitigation measures are proposed?

Avoidance and Minimization

No avoidance or minimization measures are proposed.

Mitigation

No mitigation measures are proposed.

Are there unavoidable significant adverse impacts?

No unavoidable significant adverse impacts were identified.

WHERE CAN I FIND MORE INFORMATION ABOUT THIS TOPIC?

Chapter 3.14 - Economics of the draft EIS

The information in this fact sheet summarizes content from the draft Environmental Impact Statement; please review the full document for more detailed and complete information.

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